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THE VOICE OF RUSSIA

Russia complains over unfair competition in fishing industry



Collage: The Voice of Russia

For the first time since its accession into the World Trade Organization (WTO) Russia has filed a complaint accusing Brussels of instigating unfair competition among European fishermen in Mauritania. If the complaint is satisfied this could set a precedent, experts believe.

While Moscow was negotiating access to Mauritanian waters with Nouakchott it turned out that Brussels had been funding European fishermen. Shortly before a deal on cooperation had to be signed it became known that Russian companies would not be on equal terms with European ones and would have to pay 380 euros per tonne in royalties, not 126 euros like European fishermen. Under the agreement signed between the EU and Mauritania the latter can't offer new partners a better or at least equal cooperation, and this violates the rules of international trade.

The head of Russia's Federal Fishery Agency, Andrei Krainy: "We think that subsidizing primarily Spanish and other European fishermen violates the principle of equal competition the WTO relies on. In this situation, EU fishermen are in a privileged position. This competition is unfair. It is too early to predict whether the complaint will be satisfied because this is Russia's first petition since its accession to the WTO. We hope that our complaint will be examined carefully quite soon."

Figures prove that the EU subsidies constitute more than half of European fishermen's profit, while the minimum price per tonne is just several euros more than a 380-euro royalty. "Fishing industry is not the only sphere challenged by unfair competition, - says Nikita Maslennikov, an adviser at the Contemporary Development Institute. - The entire agrarian industry in the EU relies on subsidies. Russia has been choosing an agricultural quota it was offered while having \$2-3 billion in reserve."

This is not the first time when the EU is accused of instigating unfair competition among WTO member states. In 2011 the US complained that European governments provided Airbus with \$18 billion in subsidies. Nikita Maslennikov: "Debates over unequal competition have long become a tradition among the WTO member states, be it banana, cacao, coffee farming or production of solar batteries."

Now Russia's complaint will be considered at the country's Economic Development Ministry to be later discussed between all sides involved. If no solution is made at this stage, the petition will be submitted directly to the WTO.